

Servicing office	Reserve districts served	Geographic area served
Federal Reserve Bank of Kansas City, 925 Grand Avenue, Kansas City, MO 64198.	Dallas, San Francisco, Kansas City, St. Louis.	AK, AR, AZ, CA, CO, HI, ID, IL (southern half), IN (southern half), KS, KY (western half), LA (northern half), MO, MS (northern half), NE, NM, NV, OK, OR, TN (western half), TX, WA, WY, UT and GU.

(c) *Specific activities of designated Federal Reserve Banks.* The specific activities of designated Federal Reserve Banks include:

(1) Qualifying issuing agents;
 (2) Supplying agents with bond stock, maintaining records of agent accountability, and monitoring compliance with stock consignment rules;

(3) Instructing agents regarding the sale and issue of bonds, the custody and control of bond stock, and the accounting for and remittance of sales proceeds; and

(4) Providing guidelines covering the amount of bond stock agents may ordinarily requisition and maintain.

[54 FR 40830, Oct. 3, 1989, as amended at 59 FR 10536, Mar. 4, 1994; 63 FR 38041, July 14, 1998]

§ 317.10 Reservation.

The Secretary of the Treasury may at any time, or from time to time, supplement or amend the terms of these regulations.

PART 321—PAYMENTS BY BANKS AND OTHER FINANCIAL INSTITUTIONS OF UNITED STATES SAVINGS BONDS AND UNITED STATES SAVINGS NOTES (FREEDOM SHARES)

Subpart A—General Information

Sec.

321.0 Purpose.

321.1 Definitions.

Subpart B—Procedures for Qualification

321.2 Eligible organizations.

321.3 Procedure for qualifying and serving as paying agent.

321.4 Paying agents previously qualified.

321.5 Termination of qualification.

Subpart C—Scope of Authority

321.6 General.

321.7 Authorized cash payments.

321.8 Redemption-exchange of Series E and EE savings bonds and savings notes.

321.9 Specific limitations on payment authority.

321.10 Responsibilities of paying agents.

Subpart D—Payment and Transmittal of Securities

321.11 Payment.

321.12 Redemption value of securities.

321.13 Cancellation of redeemed securities.

321.14 Transmittal to and settlement by Federal Reserve Bank.

Subpart E—Losses Resulting From Erroneous Payments

321.15 Liability for losses.

321.16 Report of erroneous payment.

321.17 Investigation of potential loss.

321.18 Determination of loss.

321.19 Certification of signatures.

321.20 Applicability of provisions.

321.21 Replacement and recovery of losses.

Subpart F—Forwarding Items

321.22 Forwarding securities not payable by an agent.

Subpart G—Miscellaneous Provisions

321.23 Paying agent fees and charges.

321.24 Claims on account of lost securities.

321.25 Role of Federal Reserve Banks.

321.26 Preservation of rights.

321.27 Supplements, amendments, or revisions.

APPENDIX TO PART 321—APPENDIX TO DEPARTMENT OF THE TREASURY CIRCULAR NO. 750, FOURTH REVISION

AUTHORITY: 2 U.S.C. 901; 5 U.S.C. 301; 12 U.S.C. 391; 31 U.S.C. 3105, 3126.

SOURCE: 53 FR 37511, Sept. 26, 1988, unless otherwise noted.

Subpart A—General Information

§ 321.0 Purpose.

These regulations govern the manner in which financial institutions may qualify and act as paying agents for the redemption of:

(a) United States Savings Bonds of Series A, B, C, D, E, EE, and I, and United States Savings Notes (Freedom

§ 321.1

31 CFR Ch. II (7–1–06 Edition)

Shares), presented for cash payment; and

(b) Eligible Series E and EE savings bonds and savings notes presented for redemption in exchange for Series HH savings bonds under the provisions of Department of the Treasury Circular, Public Debt Series No. 2–80 (31 CFR part 352).

[53 FR 37511, Sept. 26, 1988, as amended at 63 FR 38042, July 14, 1998]

§ 321.1 Definitions.

(a) *ACH payment* or *ACH* means an Automated Clearing House method of transferring funds under the provisions of 31 CFR part 210.

(b) *Beneficiary* means an individual whose name is inscribed on a security as the person to whom it is payable in his or her right upon the prior death of the other individual designated thereon as owner, shown commonly in the form: “A P.O.D. [payable on death to] B.”

(c) *Cash payment* means payment in currency, by check or by credit to a checking, savings or share account.

(d) *Central Site* refers to the Federal Reserve Bank of Cleveland, Pittsburgh Branch, EZ CLEAR Department.

(e) *EZ CLEAR* refers to the system by which financial institutions present redeemed securities to a Federal Reserve Bank through the commercial check collection system in the same manner as other cash items.

(f) *Federal Reserve Bank or Branch* refers to the Federal Reserve Bank to which the agent is instructed to transmit redeemed securities; or to which the agent is instructed to forward securities for payment or other transactions, and includes parent Banks, Branches and Regional Check Processing Centers, as appropriate.

(g) *Legal Representative* or *representative* means the court-appointed (or otherwise qualified) person, regardless of title, who is legally authorized to act for the estate of a minor, incompetent, aged person, absentee, *et al.*, the court-appointed executor or administrator, regardless of title, who is legally authorized to act for a decedent's estate; and the trustee of a personal trust estate.

(h) *Mixed cash letter* refers to a bundle containing nonsegregated redeemed se-

curities, cash items, and other items submitted to a Federal Reserve Bank via the commercial check collection system.

(i) *Paying agent* or *agent* means:

(1) A financial institution that is qualified under the provisions of this part as originally issued, or any subsequent revision, to make payment of securities, and includes branches located within the United States, its territories and possessions, and the Commonwealth of Puerto Rico; and

(2) Any banking facilities of such institutions establishing at military installations overseas, provided the offering of such redemption services has been authorized by the Department of the Treasury.

(j) *Presenter* means the individual requesting the redemption or redemption-exchange of securities.

(k) *Presenting institution* means the organization from which the Federal Reserve Bank receives redeemed securities to be processed via EZ CLEAR. If a paying agent submits separately sorted or mixed cash letters directly to the Bank, using its own ABA code, it is the presenting institution. If a correspondent financial institution submits cash letters on behalf of another institution using the correspondent's ABA code, the correspondent is the presenting institution.

(l) *Redemption* and *payment* are used interchangeably for payment of a security in accordance with the terms of its offering and governing regulations, including redemption-exchange.

(m) *Redemption-exchange* means the authorized redemption of eligible securities for the purpose of applying the proceeds in payment for other securities offered in exchange by the Treasury.

(n) *Registrant* means a person whose name is inscribed on a security as owner, coowner, or beneficiary.

(o) *Security* means a United States Savings Bond of Series A, B, C, D, E, EE, or I and/or a United States Savings Note (Freedom Share).

(p) *Separately sorted cash letter* refers to a bundle of redeemed securities that have been segregated from all other items prior to transmittal to a Federal Reserve Bank via EZ CLEAR.